United States
Department of Agriculture

Foreign Agricultural Service

November 1984

Foreign Agriculture

Sales Success!
Tailoring Products to the Arabian Market

Marketing News

China Seen As Promising Market for U.S. Wood Products

China, now the U.S. forest industry's third largest export customer, will continue to be a growing market, according to the **National Forest Products Association (NFPA)** and the **Western Wood Products Association**. The groups, in cooperation with the **Foreign Agricultural Service**, recently conducted a factfinding mission in China. The major objectives were to identify possible market development projects and to emphasize to the Chinese the importance of their purchases of more processed wood products from the United States. They added that significant penetration with processed products, such as lumber and plywood, will take a major commitment to market development by the industry in cooperation with the U.S. government.

The team, which interviewed more than 55 key people in Beijing, Shanghai, Guangzhou and Hong Kong, concluded that China was a promising market for U.S. wood products for several reasons: China's GNP growth rate averages 9 percent annually; the country has an expanding construction industry and is building 11 million homes annually; domestic forest locations and distribution problems tend to favor imports; the Chinese are receptive to development efforts by the U.S. industry and government; and the centralized nature of the economy may make the implementation of development programs more effective.

A major stumbling block in this market appears to be a preference for brick, concrete and steel, as opposed to wood, for construction. Another problem for lumber and plywood is that the multipurpose nature of wood product manufacturing facilities tends to make logs the most practical raw material for the country. The team recommended a 1985 U.S. industry-wide mission to study the use of frame housing and nonresidential construction and studies of hardwood and plywood opportunities.

Korea Is Another Growth Market for Forest Products

Korea appears to be an increasingly attractive market for the U.S. forest products industry, according to the NFPA. Housing construction, although it has slowed slightly in the past two years, is still increasing rapidly in Korea. More than 270,000 housing units were projected to be built this year, with approximately 385,000-420,000 targeted for 1985/86. About 30 percent of these are single-family homes, with the balance apartments and townhouses.

Although virtually all houses now are masonry or concrete block, several people contacted indicated an interest in wood frame construction. Companies interested in pursuing the Korean market should contact LaVerne Brabant, Agricultural Trade Officer, American Embassy Seoul, APO San Francisco 96301. Telex: AMEMB 23108.

ASA Promoting Increased Soybean Use in Japan

An animal nutritionist for the **American Soybean Association (ASA)** is working with Japanese hog farmers to boost U.S. exports of soybeans. Japan has about 88,000 hog producers, feeding out about 20 million hogs each year. Most of the feed blends soybean meal (mostly from soybeans imported from the United States) with locally produced fishmeal.

Fishmeal has long been a part of Japanese hog rations and producers are reluctant to change. But ASA's Tokyo office is showing producers that feeding fishmeal merely out of tradition may be impractical and may be biting into their profits. Compared with fishmeal, soybean meal is usually the less expensive protein. Farmers are shown how changing hog ration formulas can cut costs and help their industry grow. With education, demand for soybean meal in Japan could grow substantially, says ASA. If producers learn to consider cost first and tradition second, the market could demand the equivalent of as much as 42.5 million more bushels of soybeans.

Correction: MEF Overseas Funding

Contrary to information published in the August issue of **Foreign Agriculture**, the **U.S. Meat Export Federation** spends $5 on overseas market development for every $1 contributed by its members because of additional monies triggered from FAS and third-party interests.

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Managing Editor
Robb Deigh

Design Director
Vincent Hughes

Writers
David Garten
Lynn K. Goldsbrough
Edwin N. Moffett
Aubrey C. Robinson
Maureen Quinn
Geraldine Schumacher

Production Editor
Evelyn Littlejohn

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The Saudi market holds good potential for U.S. exporters of a variety of products, but there is a need for intense promotion.

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Filling the demand for U.S. food requires a specialized commitment. Here are some tips from businessmen who know the ropes.

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It may be a good market, but its not an easy one to get into. An exporter talks about labels, suppliers and new-to-market products.

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Familiarity with the customs and codes of Arab countries can help U.S. exporters have more successful business relationships in the Middle East.

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The Arabian Peninsula, A Promising But Complex Market

The nations of the Arabian Peninsula[1] represent a substantial market for agricultural products, buying $8.2 billion, according to latest figures available. This is equivalent to half of Japan's world agricultural imports. However, the U.S. share of the Arabian market is as yet comparatively small, less than 8 percent, as U.S. suppliers have been somewhat slow to tap the potential of this oil-rich area.

The Arabian Peninsula is a complex market, steeped in ancient Muslim law and custom. Yet the large number of expatriates who work in its oil industries make it a market for food products from all over the world.

Rice, wheat, fruit and vegetable products, oilseeds, vegetable oils and fresh fruit were the top U.S. exports to that region in 1983, accompained by an impressive list of value-added products.

Total U.S. farm exports to the peninsula in 1983 were $668.6 billion, up from $616.4 million in 1982. Experts predict a constant—although slower—increase in coming years due to competition from the European Community, Australia and other exporting nations.

In this issue, U.S. exporters and FAS representatives familiar with that part of the world discuss means by which exporters can break into this market. However, it requires a substantial investment in time to gain an understanding of tradition as well as modern methods of doing business in the Arab Peninsula.

Anastasia Sekula

An age-old Muslim ban on alcohol, for example, has opened the door to imports of fruit juices, sodas and other beverages, says a U.S. exporter whose company manufactures cranberry products which are native only to North America. Pork is strictly forbidden in the peninsula countries. But sales of U.S. red meats and poultry last year were $39.8 million.

Personal contact is extremely important. However, the method of conducting meetings in Arab countries greatly differs from that of the United States and nearly every other part of the world.

Exporters suggest that the Arabian peninsula can be a promising market if they have a thorough understanding of traditional custom and modern business methods. And each year, more and more of them are proving it. ■

[1] *Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates (UAE) and Sanaa (Yemen).*

U.S. Exports to Arabian Peninsula Market Soar

($million)

CY	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1983 Ranking Among 170 U.S. Farm Export Destinations
Saudi Arabia	110.0	117.1	165.0	171.1	315.3	325.5	375.4	465.6	486.4	440.4	20
Yemen (Sanaa)	6.2	4.1	14.6	.7	8.9	7.3	8.2	16.8	17.8	73.3	59
Kuwait	21.3	10.6	12.9	15.9	20.6	22.7	47.3	60.5	36.1	68.4	62
UAE	6.1	9.2	13.2	12.5	30.8	43.8	113.7	59.4	56.1	58.2	64
Bahrain	3.7	3.0	5.3	4.9	5.9	5.3	7.5	9.7	8.7	11.2	97
Oman	.3	1.1	1.1	2.2	3.7	2.1	4.5	7.2	5.3	9.7	101
Qatar	1.6	1.0	1.5	1.6	5.4	3.0	5.4	5.3	5.9	7.4	107
Total	**143.1**	**146.1**	**213.6**	**208.9**	**390.6**	**409.7**	**562.0**	**624.5**	**616.3**	**668.6**	

Black Star

Rice Tops List of Major U.S. Agricltural Exports to Arabian Peninsula

($million)

Major exports	1982	1983
Rice	185.9	174.7
Wheat and wheat flour	86.0	145.4
All fruit, vegetable prods.	125.2	120.7
Oilseeds	61.9	69.8
Vegetable oils	27.4	43.0
Fresh fruit	30.6	34.3
Red meats	31.2	27.2
Sugar & other tropical products	18.6	22.7
Soybean	21.4	17.9
Nuts	13.6	14.9
Canned Vegetables	14.7	13.7
Poultry	25.0	12.6
Grain and feed	13.9	11.9
Cotton	12.4	11.6

Aramco World

Assessing the Potential of The Saudi Arabian Market

Black Star

By Art Schuenemann

With a population of nearly 11 million people, many of them expatriate workers, Saudi Arabia has a great demand for imported food and agricultural products. A smart exporter who is willing to take the time to get to know the market and develop business can take advantage of the opportunities for a wide range of food products.

Saudi Arabia's imports of food and agricultural products were $4.8 billion in 1983. The United States accounted for only 10 percent (or $480 million) of that market.

Competition in the Saudi Arabian food market is keen. The market is a good one, and it is well-serviced by competitors from throughout the world.

Personal Contact Is Imperative

Many U.S. firms have the reputation of not servicing the market once it is entered. It is essential that companies that want to export to the Middle East establish and maintain a physical presence in the country, either on a permanent or regularly scheduled basis.

Personal relationships and contact are highly valued in the Middle East. While it is possible to conduct business by telex or letter, most importers do not, and will not, do business in this manner.

One importer suggested that U.S. firms adopt the Japanese marketing

Aramco World

strategy. This is a long-term market development approach in which exporters spend a minimum of six months to a year in the market country.

They evaluate the market, make business contacts at all levels, provide information and develop personal relationships with the trade. Then, and only then, is the decision to enter the market made.

While this is an expensive process, many importers have indicated it is the only way to assure that a product will have long-term success. Other importers have said that if a U.S. company is not prepared to spend some money "up front" to develop a market, they should not try to enter it.

The Importance of Proper Labeling

The most critical consideration for selling U.S. products in Saudi Arabia and the Middle East is the requirement for Arabic labeling and packaging and expiration dates on all food products. Many Saudi importers have stated that there would be increased demand for U.S. food products in Saudi Arabia if U.S. companies would meet these requirements.

The Saudi government is the most restrictive of all Middle East countries. Its packaging and labeling requirements should be considered a benchmark for the Middle East.

Saudi Marketing Channels

In addition to the normal channels of food procurement and distribution, the hotel and restaurant trade and catering companies provide another market opportunity within the general food trade of Saudi Arabia.

In general, the hotel and restaurant trade is looking for a high-quality product, particularly in red meats, fresh and processed vegetables and beverages. This trade, therefore, is willing to pay a premium price. However, the hotel and restaurant trade is very price conscious.

The catering trade generally provides food services for companies operating construction camps. Food products required are generally of a lower quality, therefore these firms are looking for lower priced items.

In many respects, the Saudi market is saturated with well-known, identifiable food products that have come to be accepted by a majority of consumers.

Given the prohibition against alcohol in Saudi Arabia, fruit juices, sparkling juices and nonalcoholic champagne are very popular.

Saudi Arabia is nearing self-sufficiency in a number of commodities, including wheat, poultry and milk. There is minimal domestic production of other grains, livestock, fruit and vegetables, however. The majority of foodstuffs have to be imported.

Foodstuffs are sold in the traditional markets (souks), small local stores and modern supermarkets. One large U.S. supermarket chain, for example, operates two supermarkets each in Jeddah and Riyadh and one each in Dammam and Al Khobar. These stores are as modern as any in the United States, with an equally large selection of food products from around the world.

The importation of food and other agricultural goods is relatively free. The import of a few agricultural products is subsidized, and import licenses are required for some products, but are easy to obtain.

Food Trading Companies

Saudi Arabia has hundreds of food importing, wholesaling, distributing and retailing companies—large and small. Some handle the entire array of grocery store items; others only several items such as fresh fruit and vegetables. Still others handle only frozen or cold-store products.

Four firms handle approximately 85 percent of the fruit and vegetable trade: Abbar and Zainy, Sharbatly, Al-Kosaibi and Saudi Cold Stores.

Companies such as Binzagr Food Company, General Trading Company, Arabian Food Supplies, the Batawil Company and Bamujally Establishment for Trading and Industry handle tremendous volumes of canned and bottled fruit juices and serve as exclusive agents for many U.S. national brands.

Many Saudi importers feel there is room for new product brands, but the items would be successful only if packaged in some unique fashion and promoted heavily in the market.

Given the market situation in Saudi Arabia, and in spite of the fierce competition, there is good potential for U.S. food products from western states. The following is a rundown on the market and prospects for selected items:

Juice. The Saudi market is dominated by bottled or canned citrus juices, primarily orange juice and much of it from Florida. Many importers expressed interest in high-quality, pure apple and grape juice.

The current top-selling apple juice is an Austrian brand, which is low priced and considered to be low quality. However, through heavy advertising and promotion, it has maintained the leadership position.

Other juices on the market include white and red grape, cherry and a variety of high-quality sparkling apple and grape beverages from Switzerland, England, Austria and France.

Good potential exists for pure apple and grape juices, primarily in bottles or cans of various sizes, and also in frozen concentrate. Bulk concentrate for processing in Saudi Arabia should not be overlooked. There is also good potential for sparkling juices, nonalcoholic champagne and other similar beverages.

Unique packaging and labeling will be a key factor in selling the product. Constraints would be price and lack of product awareness and product knowledge. There is a need to stay with the market once it is entered.

Processed Vegetables. The frozen vegetable sector is very competitive. Most of the high-quality product (primarily cut, mixed vegetables) comes from Europe. Two U.S. brands featuring corn, corn on the cob, peas and mixed vegetables are prominent. In addition, an Oregon firm also is in the market, indicating products from the western United States can compete effectively.

Potatoes. Frozen potatoes (french fries, patties, etc.) come primarily from the Netherlands. Trade people have indicated a need for competitive, high-quality frozen potato products. Constraints will be competition from Europe and brand awareness.

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Canned fruit. Canned fruit in natural juices with no additives are very popular in Saudi Arabia. An Oregon company is marketing canned blueberries and cherries through a partnership with a U.S. supermarket chain. Constraints will again be competition and brand awareness.

Natural snacks. Natural snacks such as raisins, dried fruit and fruit leathers (dried fruit purees in strips) are very popular. California raisins have done extremely well in the short time since they were introduced to the market. Potential exists for similar products to compete both in price and quality.

Honey. An excellent potential for honey sales exists in Saudi Arabia and throughout the Middle East. Honey is a staple food, a traditional item considered to be the purest, healthiest food available. Interest has been expressed in different varieties of honey. High quality is a factor, and prices seem to be strong at the retail level. Honey is imported from Europe, Australia and the United States.

Most tradespeople have emphasized that the honey should be packed in a reusable container such as a mug, glass, pitcher or some unique item. Squeeze containers also are popular.

Red meat. Sales of U.S. beef and lamb in Saudi Arabia show potential, although competition from New Zealand, Australia, India and South America is fierce. Low prices are a key factor.

A high-quality red meat market includes the hotel and restaurant trade, higher income consumers and many expatriates. The major market for U.S. beef is the middle-income market, a market worth $30 million in 1983. One U.S. beef company has 300 wholesale accounts in Saudi Arabia, including distributors, hotels, restaurants and supermarket chains.

The major constraint for U.S. red meat producers is price competition from foreign suppliers.

Pork and pork products are prohibited. ■

The author is with the Washington State Department of Agriculture. This article is based on his survey of the Saudi Arabian market last spring. Tel. (206) 753-5046.

Doing Business in the Arabian Gulf

Selling cranberry products in the Arabian Gulf is a mixed blessing.

First, the good news: The market potential is great. Only North America produces the cranberry (none of that pesky European competition). Also, Muslim law forbids the consumption of alcoholic beverages, so fruit juice is a popular drink in that area.

Now the bad news: Consumers in the Gulf haven't developed a taste for cranberries yet.

As a marketing effort, it's a long haul from the bright red cranberry bogs of North America to the dinner tables of the Arabian Gulf. But if you are looking for a guide, talk to Edward Trundle who has spent the past five years helping to pave the way for his company.

As area marketing manager for international sales at Ocean Spray Cranberries Inc., Trundle offers some clues that can save U.S. exporters of any farm product time, money and frustration when doing business in that market.

Ocean Spray's entry into the Gulf started a few years ago as one of a number of U.S. companies that supplied the commissaries of more than 25,000 Americans working in the area. During that time, Ocean Spray also expanded its sales into the local economies. Its chief products are cranberry juice drinks, cranberry sauce and grapefruit juice.

Exports to the Arabian Gulf make up only a small part of Ocean Spray's overseas sales, Trundle says, but the company is working to boost sales through consumer and distributor awareness programs in stores and through participation in trade shows. Ocean Spray hopes to gain some of the huge market for beverages in the Gulf that soft drink manufacturers have dominated.

Check Supplier References

Trundle says that U.S. exporters to the Arabian Gulf should not be hasty in signing over representation to a particular supplier. "You talk to a supplier over there and usually he says 'I want the whole Middle East.'

"The most important thing is to be very cautious on who your importer is," says Trundle. He adds that, often, U.S. exporters don't do the homework overseas that they would do if selling in this country. "Ask for references and check with the Department of Commerce. Talk to the agricultural attaches at the embassy; they are usually very attuned to the importers. Telex a European supplier to ask about his experiences with the particular seller."

Follow Labeling Standards

U.S. exporters need a thorough understanding of laws pertaining to product labels, for example, as part of their Gulf homework, Trundle says.

"Production and expiration dates must be printed on labels," he says. "They cannot simply be stamped on the container where it can be altered but must be a part of the label itself."

Ocean Spray has had little problem meeting the expiration date requirements because the company keeps a close watch on its product standards, says Trundle. "Cranberry juice has a shelf life of about 15 months; cranberry sauce, about two years. Some other producers might extend it a bit, but we feel that to maintain quality, we won't go beyond that."

Merchants in the Arabian Gulf countries adhere closely to the law when it comes to expiration dates, Trundle says. In fact, their business depends on it.

"Authorities will go into a store and check the shelves. If they find even one product that is outdated, they will close the store for a day. They police dates pretty carefully."

Be Attuned to Customers

Sharing information with other exporters is also an important part of doing business in the Arabian Gulf countries. U.S. exporters often share what they have learned about regulations and helpful contacts in government and private industry.

Trundle says, "The international community is very close. We chat with each other at trade shows and on other occasions. And most noncompetitors will help others solve problems."

Introducing a new-to-market product, such as cranberry juice, can make the job even tougher but, as Trundle points out, learning the unique characteristics of the market can open doors. "You have to be attuned to your customers," he says. ■

Recent Events: U.S. and Arabian Peninsula Cooperation

Hotel Menu Promotion

The U.S. Agricultural Trade Office (ATO) in Manama, Bahrain, and the U.S. Meat Export Federation sponsored an "American Steak & Salad" promotion with the Bahrain Hilton Hotel, Aug. 22-Sept. 18. The event was launched with a dinner attended by the U.S. ambassador and others in the American community. Excellent media coverage and strong hotel promotion contributed to a high turnout, according to ATO staff.

U.S. May Train Inspectors From Arabian Peninsula

USDA's Food Safety and Inspection Service and the U.S. Customs Service are exploring the possiblity of training meat and poultry inspectors from Kuwait, Bahrain, the United Arab Emirates, Saudi Arabia and Oman at the request of those countries. About 10 inspectors would be trained each year at the State University of Arkansas in Jonesboro.

U.S. Horticultural Trade Team Visits Five Arab Countries

A U.S. horticultural trade team visited five Arabian Peninsula countries Sept. 21-Oct. 5 to discuss the sale of U.S. products in those areas. The team was made up of representatives from FAS, the Washington State Apple Commission, the California Table Grape Commission, the Bonner Packing Co. (California), the Oregon-Washington-California Pear Bureau and the California Raisin Advisory Board.

Country Briefs

China

Good Potential for Dairy Breeding Stock

China's government is putting major emphasis on dairy production, although the industry remains a small part of the livestock economy. With the help of the United Nations' World Food Program (WFP), the dairy industry will be developed around six of China's major cities, and this program could be expanded to more high-concentration urban centers. The first WFP-supported recombining plant went into operation in mid-July with the fluid milk containing 30 percent recombined products and 70 percent fresh milk. This program in Shanghai will boost the availability of milk by 30 percent. In Heilongjiang Province, the major dairy province, peasants are given land to raise dairy cattle and receive half a kilogram of feed concentrate for every two kilograms of cow's milk delivered to the government.

Given the initiatives underway in the dairy sector, China is in the market for dairy breeding stock. Purchases have been made from Denmark and the Federal Republic of Germany but additional purchases will be made. U.S. exporters are encouraged to seek this market, not only by offering high-quality livestock but also by providing technology to help China develop a well-managed small national dairy herd.

U.S. exporters and dairy breed associations can probably best gain access to this market by: first, meeting face to face with China's livestock leaders to introduce a breed; second, offering assistance in the form of feeding, breeding and animal health seminars; third, conducting more detailed discussions on the breed and its capability; and fourth, inviting Chinese dairy production specialists to visit U.S. breeding stations, dairy farms and other facilities.

Several competitors are already very active in the Chinese market. Denmark has supplied Beijing with a turnkey yoghurt production line, using an interest-free loan. The line will produce 15 tons of yoghurt a day. Denmark has previously sold Beijing ice cream making equipment, including five pouring lines, two computer control systems and machinery for cone making. The plant can now produce 25 tons of ice cream a day. Denmark is also helping in the establishment of a dairy plant in Heilongjian Province that will process 100 tons of milk daily.

The Swedish government and three firms are helping to establish a milk production and training center near Beijing. The Swedish interests will supply about $1.2 million worth of equipment for the center that will have some 240 milking cows and will produce fresh milk, yoghurt, butter and cream.— *Norman R. Kallemeyn, Agricultural Counselor, Beijing.*

Egypt

Demand for Red Meats Continues Strong

The tremendous unmet demand for livestock products in Egypt, especially red meat, exerts a profound effect on the nation's entire food production and distribution systems. The Ministry of Supply and Home Trade, which is responsible for the overall food supply situation, recently announced that meat production in Egypt is to be increased by 30 percent. If this happens, it will most likely be in the poultry sector, as large-scale investments in broiler and egg production come on-stream in the next few years.

More problematic is the livestock sector. Egypt's limited arable land, small cattle inventory and lack of pasture place tremendous restraints on the country's capacity to produce large animals. Nevertheless, this is what the Egyptian people want and the government is importing large numbers of feeder and slaughter cattle, along with frozen beef, in an attempt to meet this demand.

The way the government implements its basic policy of ensuring an affordable supply of food, including meat, to the public is critical to producers, traders and consumers. Thus far, government support has largely been in the form of subsidies (on corn imports for feeding, on meat and livestock imports and to cover operating losses for state production).

Although private traders officially are being encouraged to help cover the supply gap, a number of nontariff barriers are hampering their beef imports. The most serious is the controlled selling price. Others include a multi-tiered licensing procedure, stringent Islamic slaughter requirements, a shortage of foreign exchange and foreign exchange

deposit requirements and arbitrary health inspection procedures, which are not applied to domestic beef. The latter resulted in the recent destruction of four tons of high-quality beef imported by a major hotel.

At this time, U.S. beef has two apparent niches in the Egyptian market: the hotel market for high-quality beef and the mass market for variety meats, especially liver. The latter market is well developed, as importers and government officials are aware of the quality and satisfied with the price of the U.S. product. This is the one U.S. red meat product consistently available on the Egyptian market.

Hotels and their importers are actively seeking new U.S. supply sources. Those using U.S. beef often advertise that fact.—*Clancy V. Jean, Agricultural Counselor, Cairo.*

United Kingdom

Surge in New Cereal Crops Could Crimp U.S. Sales

With the cereals regime next on the EC Commission list for reform, alternative arable crops are already being sought, and in some cases, viably produced, by farmers in the United Kingdom. The growth in U.K. production of such crops as oilseed rape, field peas, durum wheat, lupins and triticale—and to a lesser extent, forage maize, field beans, rye, and linseed—could have important ramifications on demand in the presently well established U.K. import markets for U.S. grains and oilseeds. All of these crops except triticale and forage maize enjoy d irect EC price support and, in the case of field peas and lupins, this is a major factor in the attractiveness of the crop to British producers.

Durum certainly is one of the more important of these alternative crops. Production in the U.K. has risen from virtually zero in the 1982/83 crop year to a forecast 30,000 tons in 1984/85. As a consequence, British imports have fallen sharply, from the full 60,000-ton domestic requirement during 1982/83 to half that amount forecast for 1984/85. The long-term outlook is that the U.K. will achieve self sufficiency in durum, probably within five years, because the crop's commercial viability is assured by the use of purchase contracts let by private companies. These companies offer complete agronomical services and guaranteed prices under the contracts. U.K. durum so far has slightly different milling characteristics than North American durum, and U.K. durum millers will require a period of time before they can adjust sufficiently to use 100-percent domestic crop.

Field peas, known as combining peas in the U.K., have been characterized as the country's fastest expanding crop. Planted area has more than doubled in the past two years to a forecast 68,000 hectares during 1984. Production could conceivably rise to 250,000 to 275,000 tons this year. While there is a long-established human consumption market for field peas in the U.K., requiring 80,000 to 90,000 tons a year, the real potential for growth lies in the demand from compound feed manufacturers. Trade sources indicate that compound feed manufacturers could use as much as 750,000 tons of peas, given the right feed ingredient price configuration.

In the case of lupins, a recent decision by the EC to extend to to them a subsidy similar to that given to peas, should stimulate producer interest. Lupins are a prime alternative protein source to soybeans, and thus represent a direct threat to U.S. soybean and products imports. Production of lupins in the U.K. is still in experimental stages, but several major seed companies are carrying on production trials and yields are reported to have risen to an average of 4.6 tons per hectare. Quantities of seed are expected to be commercially available in 1985.—*Cleveland H. Marsh, Agricultural Attache, London.*

Tapping Arab Markets Requires Trade Visits, Attention to Details

"Get connected with the right people—and do what you say you are going to do, when you say you're going to do it." That's the advice of Eric Shetterly to exporters trying to penetrate the market in the Arabian Peninsula.

Shetterly is senior export coordinator with National Oats Co., Inc., Cedar Rapids, Iowa. The company has been selling oatmeal products and popcorn in the Middle East for the past 10 years.

Shetterly says that U.S. firms that want to export to the Arabian Peninsula should establish personal contacts with business representatives there, and then begin to build a reputation of servicing the market.

Norman Tucker, director of export sales for Horace W. Longacre, Inc., Washington, D.C., agrees. Personal contacts are valued in the Middle East, he says, but he advises anyone attempting to tap the market for the first time to be patient.

"There's a time of getting to know your customer, and they get to know you, their supplier," he says.

Tucker says there is a ready market in the Arabian Peninsula for the processed poultry parts, whole turkeys and ducks his company sells.

"We work with importers who handle both retail and food service," he says. "We sell whole birds, but we're also trying to promote further processed products such as smoked turkey products, turkey ham and kielbasa made from turkey."

Expatriate Market Important

Tucker says the expatriate market was instrumental in getting his company's business started in the peninsula.

"We find that once a product the expatriates like gets into the supermarkets or hotels, it is tried by the natives of the country," he says. "Kielbasa is a good example. It has become a popular product in Saudia Arabia and I'm sure it's not just the expatriates who are eating it."

Shetterly says expatriates are a target market for his company's products too.

"We actually have two target areas," he says. "One is the expatriates who are familiar with our products. The other is a seasonal demand for oatmeal that seems to follow Ramadan."

Ramadan is the Islamic month of fasting, during which Muslims refrain from eating, drinking or smoking from sunrise to sunset.

Know the Food Laws

Both businessmen say it is best to know the food laws when you start dealing with Saudia Arabia, Bahrain, Kuwait and other peninsular countries.

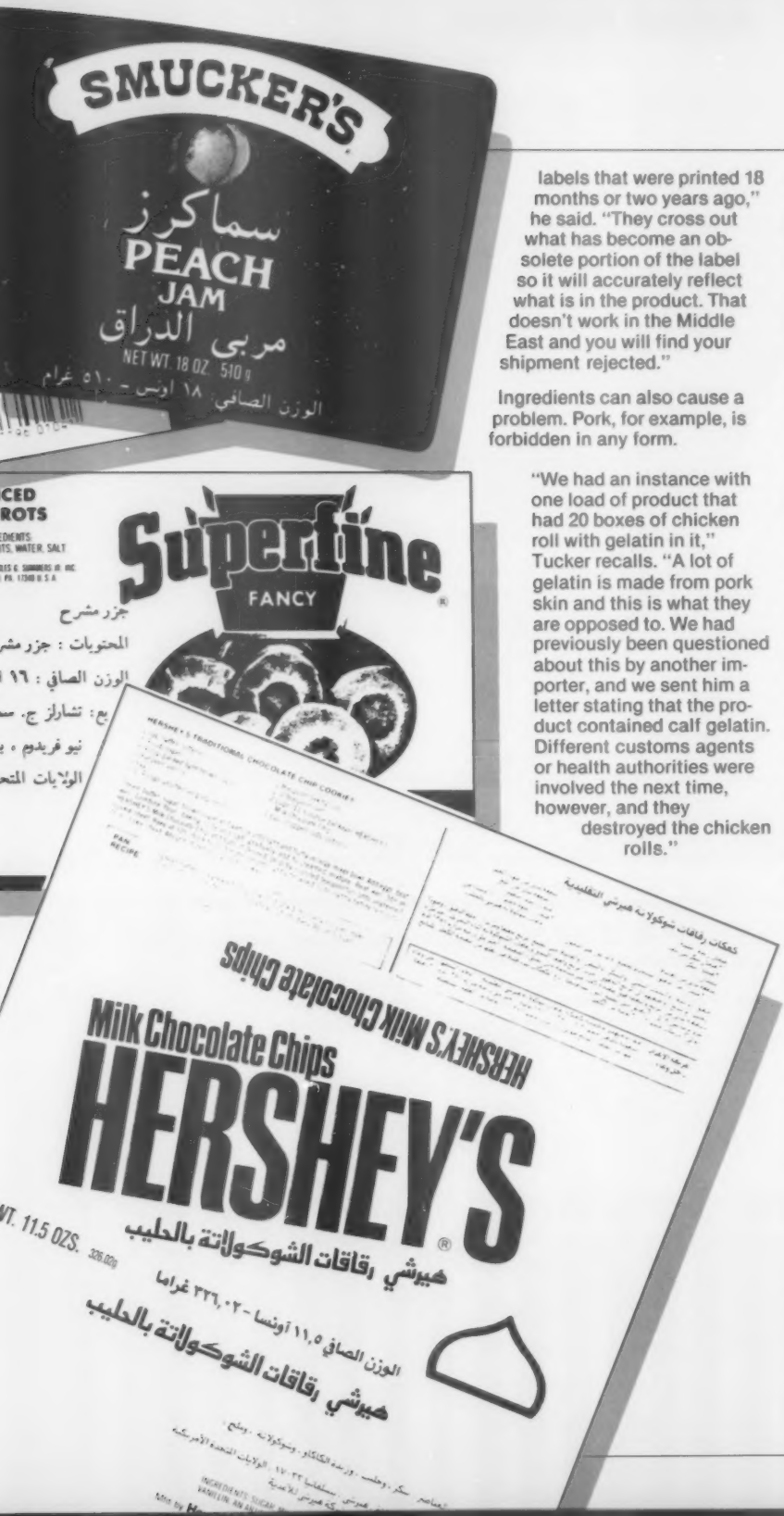
Each country requires Arabic labeling as well as production and expiration dates on all food products. The Saudi government is the most restrictive, but according to Tucker the requirements may vary from country to country and also may change frequently.

"The food laws are enforced primarily to ensure the safety of products," Tucker says. "Some countries will allow you to have an expiration date of 12 months from production date; other countries will set it at nine months. We normally have a label that will suffice for all of the Arab countries we do business with."

Improper Labels Create Problems

Tucker says that in some instances his company uses a pressure sensitive sticker that is affixed to the product at time of manufacture. This sticker carries the company's logo and U.S. inspection shield, but because it is a stick-on label, some countries such as Dubai will not allow the product into the country.

Altered labels can present another problem, according to Shetterly. "I've known people who have used freshly packaged product but have used



labels that were printed 18 months or two years ago," he said. "They cross out what has become an obsolete portion of the label so it will accurately reflect what is in the product. That doesn't work in the Middle East and you will find your shipment rejected."

Ingredients can also cause a problem. Pork, for example, is forbidden in any form.

"We had an instance with one load of product that had 20 boxes of chicken roll with gelatin in it," Tucker recalls. "A lot of gelatin is made from pork skin and this is what they are opposed to. We had previously been questioned about this by another importer, and we sent him a letter stating that the product contained calf gelatin. Different customs agents or health authorities were involved the next time, however, and they destroyed the chicken rolls."

Accurate Translations Essential

Since all labeling must be written in Arabic, Tucker says getting an accurate translation is essential.

"Make sure you have a good translation, and...have it checked," he advises. "The best place to have it checked is in an Agricultural Trade Office. FAS' agricultural trade officers have been a great help to us, not only in Bahrain, but in other areas of the world as well."

"They know their business and they know the markets," he adds. "Listen to their guidance, and you should do well."

"Once you've made the mistake of going into a country with mislabeling or wrong production dates or something else that doesn't seem quite right, there is nowhere else to go with products with Arabic labeling," Tucker says. "It's also difficult, if not impossible, to bring them back to the United States, so you'd better be right the first time."

If you pay strict attention to labeling, packaging, prompt replies to inquiries and prompt, well-documented shipments, Tucker and Shetterly believe you can make a relatively smooth transition into the market.

Working With the People

"I've thoroughly enjoyed traveling in that area and working with the people," Shetterly says. "They work at their own pace, but when they're ready to talk to you it is very businesslike."

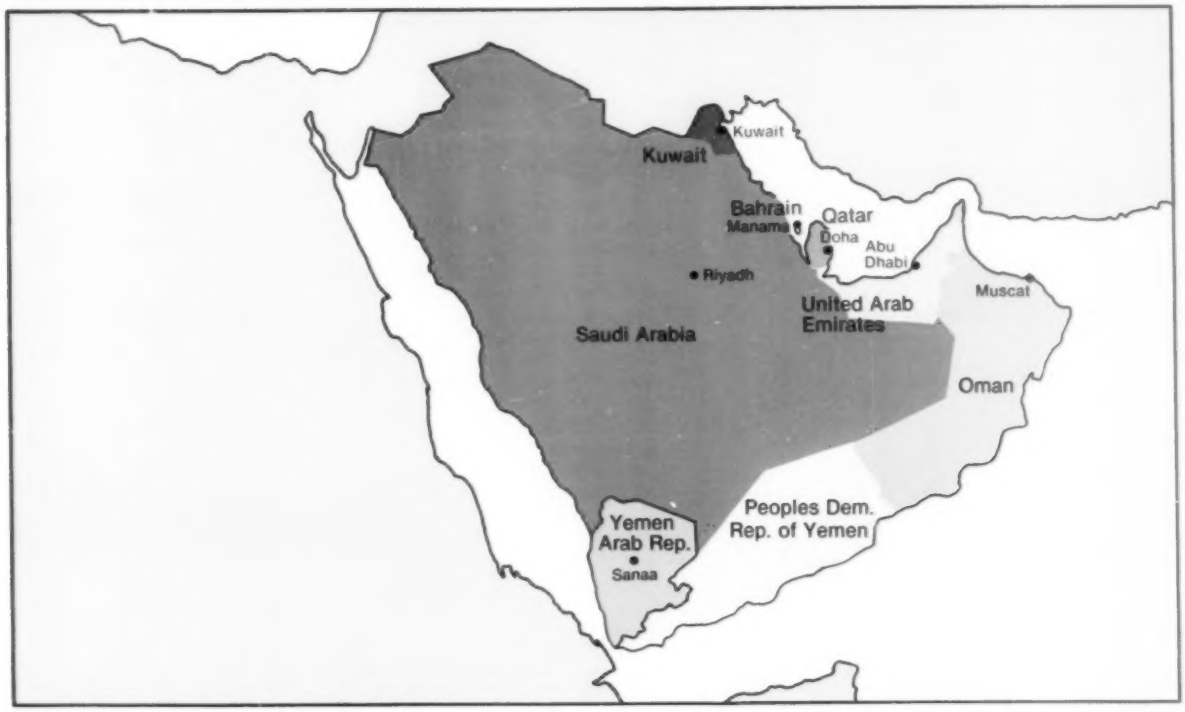
Tucker says "You often have to get a lot of conversation out of the way before you get down to business," but he finds the importers in the Arabian Peninsula to be "astute businessmen."

Perhaps most importantly, English is the language of business.

"When you are in a foreign country you act accordingly," Tucker says. "But a lot of people you deal with have been educated in the United Kingdom or the United States. They speak the language and they are familiar with our ways." ■

When on the Arabian Peninsula...

The Arabian Peninsula*



*Boundary representation is not necessarily authoritative

By Theodore Horoschak and Jerome M. Kuhl

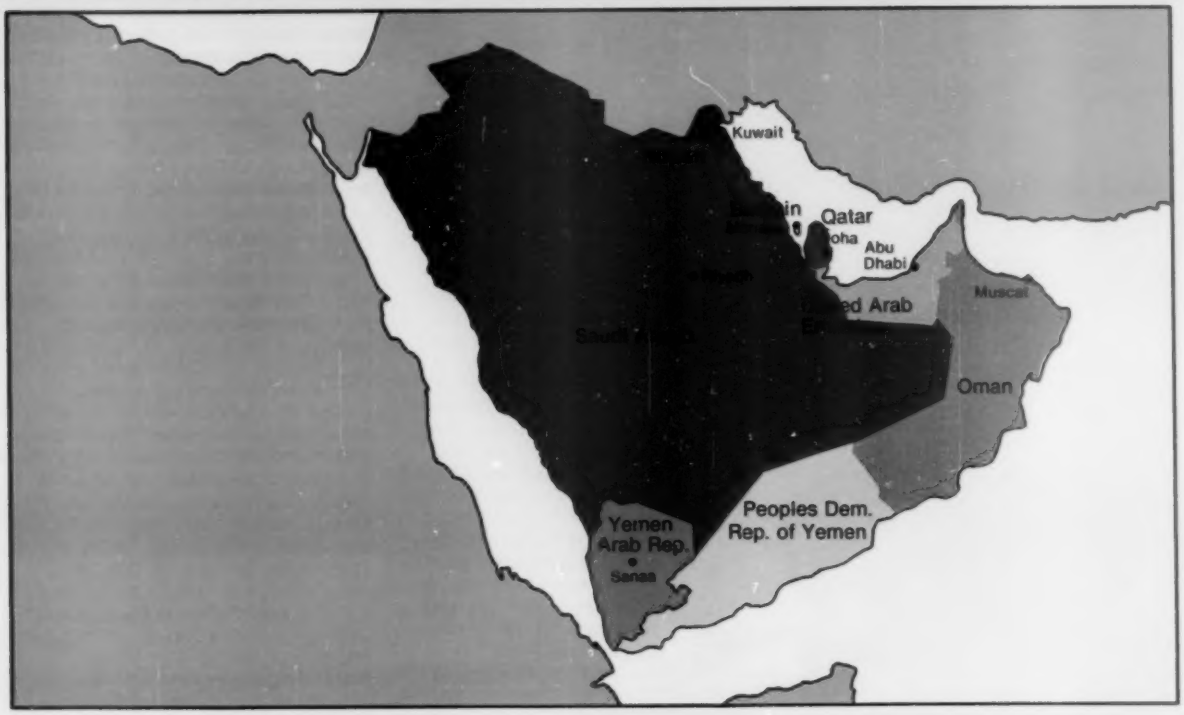
The Arabian Gulf nations of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Yemen (Sana) are more than geographically close, they are culturally similar, each an Islamic state with Arabic as the official language.

In the Gulf nations, Islamic laws govern family relationships, business etiquette, dress, food and much more. As the single most important factor in local culture, Islam dominates nearly every activity and policy of the people and their governments.

By tradition in the Arab Gulf, contact between nonrelated men and women is severely restricted. Saudi Arabia, the birthplace of the prophet Mohammed and the origin of Islam, imposes the most restrictions on women. For example, women are not allowed to travel unaccompanied and are required to wear clothing which covers their neck, arms and legs. Dancing in public and mixed bathing are also prohibited. In an office environment, male secretaries are the rule.

When on the Arabian Peninsula...

The Arabian Peninsula*



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By comparison, females in the other Gulf nations have relatively more social and economic freedom. However, they also dress modestly—low necklines and sleeveless dresses and blouses should be avoided. Women occassionally wear slacks, but dresses are the general rule.

Islamic Calendar Dictates Work Hours And Holidays

In the Gulf, the workweek runs from Saturday through Thursday. Friday is the Sabbath, and Saturday and Sunday are regular working days.

Business establishments are normally open from 8 a.m. to 1 p.m. and again in the afternoon from about 4:30 p.m. to 7 p.m. Saturday through Wednesday. Thursday afternoon openings reflect the policies of the individual firms.

Banks are open during both morning and afternoon business periods, but they observe slightly shortened hours.

In Saudi Arabia, government office hours are approximately 8 a.m. to 2 p.m. Saturday through Wednesday. In the other nations, government office hours are approximately 8 a.m. to 1 p.m. Saturday through Thursday.

Since the Gulf nations follow the Hegira Year of 12 lunar months (354 days), Islamic holidays advance each year by about 11 days on the Western calendar.

The two major holidays are Eid Al Fitr (June 16, 1985), which celebrates the end of Ramadan, and the Eid Al Adha (August 25, 1985), which concludes the celebration of the pilgrimage to Mecca. The actual dates may vary by one day because the timing of Islamic holidays is based upon sightings of the moon.

During Ramadan, the Islamic month of fasting (approprimately May 26-June 15, 1985), Muslims refrain from eating, drinking, and smoking from sunrise to sunset. Non-Muslims are cautioned to observe the fast while in public. During Ramadan, restaurants are closed during the day. Work hours are shortened and business contacts reduced.

Business Is a Personal Matter

Much importance is attached to personal relationships in business transactions in the Gulf. Visits, and generally more than one, by responsible personnel are usually necessary for foreign companies to penetrate the market. This is true even after local representation has been established. Written communication may offer a useful introduction for U.S. firms, but unsolicited letters are not always answered.

As the single most important factor in local culture, Islam dominates nearly every activity and policy of the people and their governments.

Local businessmen generally will not confirm requests for appointments received from an overseas contact until that person has actually arrived in the country.

While local custom does not stress promptness, overseas visitors should be prompt. Upon entering the office of a local businessman for a confirmed appointment, the visitor often discovers that others have appointments at the same time or have shown up without one. Accordingly, a 9 a.m. appointment can often mean "a morning appointment."

Visitors should not expect a meeting to be uninterrupted. Intervening telephone calls usually occur every few minutes. And a closed door does not ensure privacy as other visitors or employees may enter without knocking and exchange several minutes of conversation with the host.

Meetings may also be interrupted by prayer sessions which occur five times daily according to a predetermined schedule. Muslim praying times are published in the leading newspapers.

Except during Ramadan, virtually every meeting includes generous servings of juice, soft drinks, and the traditional bitter cardamom coffee or sweet tea. Cardamom coffee is served in small cups, which are continuously refilled. To decline, custom dictates that a guest hold the cup and twist the wrist from side to side.

Guests should look their host straight in the eye when talking to him. There is also a prohibition against allowing the soles of one's shoe to be seen by others. If crossing legs while sitting, feet should be kept pointed toward the floor.

Business May Not Be the First Item of Business

Business discussions are often prefaced by long conversations on unrelated topics, which constitute a warming-up period in which the host decides whether the visitor is worth dealing with seriously. Often at the end of the initial conversation, no business will have been discussed at all. The guest will simply be invited to call again the next day to continue the discussion.

Usually, the atmosphere during business meetings will be relaxed and informal. One should not, however, take this to indicate a lack of interest. It is simply the way things are done.

Visitors should also note the high value attributed to politeness. One will almost never receive a blunt statement of "no interest" in a product or service (even if warranted). If dealing with an expatriate manager, this pattern of conduct may vary.

Although English is a commonly accepted business language, it is recommended that an Arabic translation be included with all correspondence.

Seldom will any commitments be made as the result of one visit. Accordingly, foreign visitors should follow up all meetings with correspondence providing any added information requested and arranging for future discussions to reach a definitive agreement.

Although English is a commonly accepted business language, it is recommended that an Arabic translation be included with all correspondence. Farsi, Urdu, Baluchi and various Indian dialects are also quite common in the region.

Telex is the preferred method of communication, followed in preference by letters and then telephone calls. Letters, cables and telexes can be addressed in English. In writing, post office boxes rather than street addresses are used.

How To Travel Prepared

Lightweight, wash-and-wear clothing is essential for the hot (100-140 F), humid climate found in the region. During January-March, heavier clothing, including sweaters, may be necessary. A tie is customary Western dress for the office and for U.S. business visitors.

Travelers found to have an Israeli stamp in their passport will be denied entry to the Gulf nations.

Films and printed matter are subject to strict review upon arrival. If found offensive, the material will be seized by local authorities. In cases where the material is found to be deeply offensive to the Islamic beliefs, the traveler will be denied entry.

Travelers should be aware of the Arab boycott list, what it is and the status of the firm you represent with respect to this listing. The list is available from the embassy of the country the traveler is planning to visit.

Generally, the Gulf nations issue travelers a single entry visa which allows only one entry and departure. If plans require more than one entry into a Gulf country, it is the visitors' responsibility to obtain multiple entry visas.

Overbooking of flights is a chronic problem in this region. It is accentuated by the airlines' strict enforcement of "reconfirmation" regulations.

Failure to reconfirm flights immediately upon arrival in a Gulf state often results in the loss of reservations.

In the same vein, travelers risk losing their flight bookings by failing to comply with check-in procedures at the region's airports. In most cases, airport check-in is at least one and a half hours prior to flight time; otherwise a reserved seat will be given to a stand-by passenger. In some cases check-in time is two hours prior to scheduled departure time. Visitors should request specifics when reconfirming a flight.

Travelers should carry four to eight passport-size photos which may be required for visa applications, driving permits, etc. To obtain these photos in the Gulf is both costly and time consuming.

Prior to leaving the United States, travelers are encouraged to research the area they plan to visit. For background material, they may wish to contact the embassy of the country they plan to visit, requesting reference material and reading lists. In addition, visitors may wish to contact the staff of the Middle East studies group of a local university.

Some specifics on market size, visa application procedures, customs regulations, etc., follow:

Bahrain

Population: 409,000 (approximately 120,000 expatriates).

Size: Country is comprised of 30 islands which total 670 square kilometers. Bahrain Island is the largest (518 sq km).

Capital: Manama (located on Bahrain Island).

Time zone: Greenwich mean time (GMT) plus 3 hours.

Port: Mina Sulman.

Visas: Travelers can obtain a 72-hour transit visa at the airport upon arrival provided they hold valiid tickets and onward reservations. A seven-day extension of this transit visa can be obtained if required.

Travelers will be assessed a small charge when applying for transit visas and extensions.

Customs regulations: Non-Muslims can bring in small quantities of liquor. A duty-free allowance includes 400 cigarettes, 50 cigars, half a pound of tobacco and eight ounces of perfume.

Trade samples (in reasonable quantities) are permitted duty-free entry as are personal effects.

Firearms of any type, ammunition and related items and goods listed by the Arab League Boycott Office are forbidden. Pearls produced outside the Gulf are not permitted. Personal religious items are permitted. All video cassettes and reading material will be reviewed at Customs. The importation of drugs even in very small amounts, is prohibited. Prescription drugs which are clearly labeled and carried in small quantities should pose no problems.

Taxis and buses: Taxis and buses are readily available. Although the government has established maximum taxi rates, travelers are advised to establish the fare prior to entering the vehicle. If in doubt, they should take the cab's number and report any disputes to municipality officials.

Tipping: Hotel and restaurant bills will include service charges which have been established by the government.

Major hotels: Sheraton, Diplomat, Gulf, Ramada, Holiday Inn, Hilton and Inter-Continental.

Important addresses in Bahrain:
American Embassy
Shaikh Isa Road
P.O. Box 26431
Manama
Telephone: 714 046
Telex: 9398 USATO

Bahrain Chamber of
Commerce & Industry
P.O. Box 248
Manama
Telephone: 253 749
Telex: 8691 GH URFA BN

Important addresses in the United States:
Embassy of the State of Bahrain
3502 International Drive, N.W.
Washington, D.C. 20008
Telephone: (202) 342-0741

Kuwait

Population: 1,758,000 (approximately 61 percent are expatriates).

Size: 17,818 square kilometers, including several small islands in the Gulf. Most islands are uninhabited.

Capital: Kuwait City.

Time zone: GMT plus 3 hours.

Ports: Shuwaikh, Mina Al Ahmadi.

Visas: To obtain a visa, travelers must have a Kuwaiti sponsor (individual or firm) residing in Kuwait. The sponsor applies for a "no objection certificate" (NOC) on behalf of the traveler. Once the NOC is issued, the sponsor should forward it to the traveler who then attaches it to his visa application which is submitted to the Kuwaiti Embassy or Consulate in the United States.

The Kuwaitis do not issue tourist visas. Transit visas are rarely available.

Customs regulations: Alcohol is prohibited. Cigarettes, personal effects and trade samples (in reasonable quantities) are permitted duty-free entry. Personal religious items are permitted. All video cassettes and reading material are subject to screening at Customs. Prescription drugs, clearly labeled and carried in small quantities, should be no problem. Firearms of any type, ammunition and related items and goods listed by the Arab League Boycott Office are forbidden.

Important addresses in the United States:
Embassy of the State of Kuwait
2940 Tilden Street N.W.
Washington, D.C. 20008
Telephone: (202) 966-0202

Consular Office
State of Kuwait
801 2nd Avenue
New York, N.Y. 10017
Phone: (212) 661-1580

Taxis and Buses: Taxis and buses are readily available. Although rates for taxis have been established by the government, all travelers are advised to determine the fare prior to entering a cab. Cabs at hotels are entitled to charge double rates as compensation for waiting time. Most first-class hotels operate shuttle buses which have fixed routes. Several establishments operate regular airport runs, while others offer bus service from airport if arranged in advance.

Tipping: Hotels and restaurants normally add a 15-percent service charge to your bill. If omitted, tips of 10 percent are warranted.

Major hotels: Sheraton, Hilton Meridien, SAS, Holiday Inn, Marriott and Hyatt Regency.

Important addresses in Kuwait:
Embassy of the United States
P.O. Box 77
Safat, Kuwait
Telephone: 424-150

Kuwait Chamber of
Commerce & Industry
P.O. Box 775
Safat, Kuwait
Telephone: 433-854

Oman

Population: Oman has never undertaken a population census. For planning purposes, the government uses a figure of 1,500,000. Other sources place the population at 1,009,000 with expatriates comprising less than 25 percent of the total.

Size: 300,000 square kilometers.

Capital: Muscat.

Time zone: GMT plus 4 hours.

Ports: Mina Qaboos (Muscat), Mina Raysut (Salalah).

Visas: All persons seeking to enter Oman must be sponsored by a person or institution in the country. Visitors must obtain a visa or arrange for a NOC.

Visa applications are made to the Omani Embassy or Consulate and should include a written invitation from an Omani sponsor, a letter from your employer identifying you and stating the purpose of your visit and a letter from a local U.S. Chamber of Commerce certifying the legitimacy of the U.S. firm.

Alternatively, an Omani sponsor can arrange for an NOC to be issued by the Immigration Department of the Royal Omani Police. Full passport details must be provided to the sponsor submitting an application. Once obtained, the NOC can be mailed to the traveler (time permitting); or, as is more common, the NOC can be held by the sponsor and passed to the traveler at the airport upon his arrival in Muscat.

Without a visa or proof that an NOC has been issued, travelers will not be permitted to board flights to Oman.

Customs regulations: The importation of alcoholic beverages is prohibited. Trade samples and personal effects (in reasonable quantities) are permitted duty-free entry.

Taxis and buses: Taxis are readily available and there is an official fare rate. However, travelers are advised to negotiate the fare prior to entering the vehicle. Bus service is limited.

Tipping: Hotels add a 10-percent service charge and 5-percent tax to the bill. Accordingly, tipping is not necessary.

Major hotels: Hotel space is tight, and visitors are advised to book their rooms as early as possible. In the Muscat area the leading hotels are: Al-Falaj, Gulf, Inter-Continental and Ruwi. In Salalah, the leading hotel is the Holiday Inn.

Important addresses in Oman:
American Embassy
P.O. Box 966
Muscat, Oman
Telephone: 745 006
Telex: 3785 AMEMBMUS

The Embassy's commercial section is located in Ruwi. Telephone: 703287

Oman Chamber of
Commerce & Industry
P.O. Box 4400
Ruwi
Sultanate of Oman
Telephone: 702 259
Telex: 3389 ALGURFA

Important addresses in the United States:
Embassy of the Sultanate of Oman
2342 Massachusetts Avenue, N.W.
Washington, D.C. 20008
Telephone: (202) 387-1980

Omani Consulate
866 United Nations Plaza
New York, N.Y. 10017
Telephone: (212) 355-3505

Qatar

Population: 276,000 (approximately 80 percent expatriates).

Size: 11,437 square kilometers.

Capital: Doha.

Time zone: GMT plus 3 hours.

Ports: Doha and Umm Said.

Visas: A 72-hour transit visa can be obtained upon arrival at the airport provided that a Qatari national sponsors the application and the traveler holds a valid onward ticket and reservation.

Visas can also be obtained from the Qatar Embassy in Washington, D.C. In applying, the traveler must submit evidence of a sponsor (firm or individual) residing in Qatar.

Customs regulations: Alcoholic beverages cannot be imported. Personal effects and trade samples (in limited quantity) are permitted duty-free entry. Firearms of any type, ammunition and related items and goods listed by the Arab League Boycott Office are forbidden.

Taxis: There is a fixed fare from airport to hotels. All other fares are open to negotiation. Travelers are advised to determine the fare prior to entering the cab.

Tipping: Hotels and restaurants impose a 10-percent service charge and 5-percent tax.

Major hotels: Gulf Hotel, Sheration and Ramada. There are a limited number of first class rooms, and travelers are advised to make their reservations well in advance of arrival date.

Important addresses in Qatar:
American Embassy
P.O. Box 2399
Fariq Bin Omran
Doha, Qatar
Telephone: 870701

Important addresses in the United States:
Embassy of the State of Qatar
Suite 1180
600 New Hampshire Avenue N.W.
Washington, D.C. 20037
Telephone: (202) 338-0111

Saudi Arabia

Population: 10,794,000.

Size: 2,331,000 square kilometers.

Capital: Riyadh; foreign ministry and foreign diplomatic representatives located in Jeddah.

Time zone: GMT plus 3 hours.

Ports: Jeddah, Dammam, Ras Tanura, Jubail, Yanbu.

Visas: Business visas, good for one to three months, can be obtained up to a month in advance from the Saudi Embassy in Washington, D.C. or the consulates in New York, N.Y., or Houston, Tex. Applicants must have a Saudi sponsor contact the Embassy or Consulate. The U.S. Embassy does not sponsor business visitors.

Tourist visas are not issued. Transit visas, although rarely given, permit three days in the country if the traveler is required to stay overnight. Visit visas are given to close relatives of persons residing in Saudi Arabia. Stiff penalties may result if visas are allowed to expire while in the Kingdom.

Customs regulations: Pork is forbidden in Saudi Arabia and cannot be imported in any form. Alcoholic beverages and items with any alcoholic content, such as liqueur-filled chocolates and vanilla extract, are contraband and will be seized. Travelers should exercise caution when consuming alcoholic beverages on flights landing in the Kingdom—persons obviously drunk are subject to arrest or deportation.

Firearms of any type, ammunition or related items such as gun sights are forbidden. Personal religious items such as a Bible or rosary are usually permitted, but occasionally such items have been seized at entry. Items listed by the Arab League Boycott Office, banned books, pornographic materials or printed material such as gun magazines are likely to create undue suspicion on the part of customs officials. Video cassettes will be played by Customs to determine the acceptability of their content.

Prescription drugs in small quantities and clearly labeled should have no problem passing Customs. However, transporting large amounts of drugs, drugs unlabeled and loose or without documentation, or drugs that are illicit to begin with may lead to arrest and trial. Drug offenses are considered major, and leniency in drug cases is rare.

Taxis and buses: Most major hotels provide courtesy service from the international terminals although their representatives are sometimes hard to find. The Saudi Limousine Service provides a fixed-fare service from arrival terminals. Within cities, buses and taxis are readily available; fares for the latter are arrived at by hard bargaining. Visitors should avoid private cars that are offered for hire.

Tipping: A 15-percent service charge is added to hotel and restaurant bills. Allow one Saudi riyal per bag for porters. Tips to taxi drivers are unnecessary.

Major hotels: In Riyadh the leading hotels are the Marriot, Intercontinental, Hyatt Regency and New Assamer; in Jeddah the leading hotels are the Nova Park, Hyatt Regency, Marriott and Sands; in the Dhahran area, leading hotels are the International (Dhahran), Al-Ghosaibi (Al Ghosaibi), Oberoi (Dammam) and Intercontinental (Jubail).

Important addresses in Saudi Arabia:
American Embassy
P.O. Box 149
Jeddah 21411
(mailing address from U.S.A.)
APO New York 09697
Tel.: 667-0080
Telex: 405175 USEMB SJ

Agricultural Trade Office
Suite 1022
Al-Zouman Commercial Center
P.O. Box 149
Jeddah 21411
(mailing address from U.S.A.)
APO New York 09607
Tel.: 661-2408/677-6196
Telex: 404683 USATO SJ

American Consulate General
P.O. Box 81
Dhahran
(mailing address from U.S.A.)
APO New York 09616
Tel.: 864-3200/864-3613/864-3452

Important addresses in the United States:
Office of the Commercial Attache
Embassy of Saudi Arabia
1155 15th St., N.W. Suite 428
Washington, D.C. 20005
Tel.: 202-331-0422
Telex: 89-610 TIJARAH

Saudi Arabian Information Office
Suite 1022
1156 15th St., N.W.
Washington, D.C. 20005
Tel.: 202-452-0525

United Arab Emirates

Population: 1,523,000 (approximately 77 percent expatriates).

Size: The U.A.E. is comprised of seven emirates which encompass 90,529 square kilometers.

Capital: Abu Dhabi (provisional).

Time Zone: GMT plus 4 hours.

Ports: Port Rashid (Dubai), Port Khalid (Sharjah), Fujairah, Ras Al-Khaimah, Mina Zayed (Abu Dhabi), Mina Jebel Ali (between Dubai and Abu Dhabi).

Visas: All persons seeking to enter the U.A.E. must be sponsored by a person or firm residing in the country. The Emirate of Dubai allows hotels to act as a sponsor for visiting businessmen. At this time, no other Emirate permits "hotel sponsorship."

A "hotel sponsorship" visa is valid for seven days and can be extended once for an additional seven days. Travelers are required to enter and depart via Dubai's International Airport.

Visas issued by an embassy or consulate of the U.A.E. permit entry and departure through any of the U.A.E.'s gateway airports. A visa application must include a letter or telex from a sponsor.

Flights between the various U.A.E. airports are considered to be international flights, so commuting between the Emirates requires multi-entry visas.

Customs regulations: Alcoholic beverages cannot be imported. Firearms, ammunition and goods listed by the Arab League Boycott Office are prohibited. Trade samples (in reasonable quantities) are permitted duty-free entry as are personal effects.

Taxis: Each Emirate has its own regulations governing taxi service. In Abu Dhabi, cabs are changing from pre-set fares to meters.

Other locales have "published tariffs" for commonly traveled routes with other routings subject to negotiation.

In every case, travelers are advised to negotiate the fare prior to entering the cab. Taxis outside hotels incorporate a "waiting charge" into their rates. First class hotels will provide the traveler with a copy of the prescribed rates for commonly made trips.

Travel between the key cities is easily undertaken by private vehicles—either taxi or rental car.

Hotels: In Abu Dhabi—Hilton, Sheraton, Hilton International Al-Ain, Holiday Inn, Meridien, Ramada and Inter-Continental.

In Dubai—Sheraton, Hilton, Inter-Continental, Hyatt Regency, Dubai International, Metropolitan and Jebel Ali.

In Sharjah—Holiday Inn, Meridien and Airport Hotel.

Tipping: Hotel and restaurant bills will include a 10-percent service charge and 5-percent tax.

Important addresses in the U.A.E.:
American Embassy
P.O. Box 4009
Al Sudan St.
Abu Dhabi
Telephone: 336691
Telex: 23513 AMEMBY

Aramco World

Branch American Embassy
P.O. Box 9343
Dubai International Trade Center
Dubai
Telephone: 471115
Telex: 46031

Abu Dhabi Chamber of
Commerce and Industry
P.O. Box 662
Abu Dhabi
Telephone: 330880
Telex: 322449 TIJARA

Dubai Chamber of
Commerce and Industry
P.O. Box 1457
Dubai
Telephone: 221327
Telex: 45997 EM

Sharjah Chamber of
Commerce and Industry
P.O. Box 580
Sharjah
Telephone: 22464

Ras Al-Khaimah Chamber of Commerce and Industry
P.O. Box 87
Ras Al-Khaimah
Telephone: 21348

Important Addresses in the United States:
Embassy of the United Arab Emirates
Suite 740
600 New Hampshire Avenue, N.W.
Washington, D.C. 20037
Telephone: (202) 338-6500

Yemen Arab Republic (North Yemen)

Population: 5,902,000.

Size: 194,250 square kilometers.

Capital: Sanaa.

Time zone: GMT plus 3 hours.

Ports: Al Hudaydah.

Visas: Visas may be obtained from the Yemen Arab Republic embassy in Washington, D.C. or the mission to the United Nations in New York City. Three recent photographs are required. Visas are good for a single entry for one month from the date of issue and permit a stay of two weeks. An extension may be obtained after entering the Y.A.R.

Exit visas also are required and must be obtained from the immigration office within seven days after arrival. A fine is levied if passports are not registered within the seven-day period.

A photocopy of passport pages showing the visitor's photograph, passport data and Yemeni visa will be useful to show at checkpoints. Visitors should not give their passport to anyone as they may not be able to retrieve it.

Customs regulations: Customs checks can be thorough. Alcohol, drugs and items considered pornographic are strictly prohibited.

Taxis and buses: Taxis and buses are readily available.

Tipping: Tipping is not necessary if a service charge is included in the bill, but a small additional amount is appreciated. One Yemeni riyal per bag is customary for porters' tips. Tips for taxi drivers are not necessary.

Major hotels: In Sanaa—Sheraton, Taj Sheba and Ramada; in Hodeidah—Ambassador.

Important addresses in the Y.A.R.:
American Embassy
P.O. Box 1088
Sanaa
Telephone: 271-950
Yemen Chamber of
Commerce and Industry
P.O. Box 195
Sanaa
Telephone: 232-261
or
P.O. Box 3570
Hodeidah
Telephone: 217-401

Important addresses in the United States:
Embassy of the Yemen Arab Republic
Watergate 600, Suite 860
New Hampshire Ave., N.W.
Washington, D.C. 20037
Telephone: (202) 965-4760

Y.A.R. Mission to the United Nations
211 East 43rd St.
New York, N.Y. 10017
Telephone: (212) 355-1730

The authors are the U.S. agricultural trade officers in Manama, Bahrain and Jeddah, Saudi Arabia, respectively.

Trade Updates

New Japanese Fashions Could Spur U.S. Cotton Sales

Current fashion trends in Japan may provide opportunities for increased sales of U.S. short-staple cotton. Casual wear such as skirts and blouses made from coarse cotton yarn is becoming increasingly popular among young women. The trend may result in a move toward larger Japanese production of coarse yarns, with resulting opportunities for U.S. short-staple cotton.—*William L. Davis, Agricultural Counselor, Tokyo.*

Smaller French Corn Crop U.S. Market Opportunity

Reports of smaller than expected corn production in France, by as much as a million tons, could mean additional EC import demand for U.S. corn in 1984/85. France in recent years has become the major corn supplier to other EC countries as U.S. corn exports have dropped to only one-third of the 9.5 million tons shipped three years ago. Reduced exportable corn availabilities for feed use from France could be partially offset by abundant supplies of domestic wheat and barley in feed rations. Italy and Germany still use large quantities of U.S. and Agrentine corn for feed and U.S. corn is preferred for industrial uses.— *Allen Riffkin, FAS. Tel. (202) 447-2009.*

Taiwan To Cut Tariffs On Agricultural Imports From U.S.

As a result of trade consultations held in Washington this summer, Taiwan has unilaterally agreed to reduce, effective early 1985, ad valorem import charges on 41 agricultural and forestry products with a 1983 import value from the United States of $40.6 million. Taiwan also will reduce the customs uplift from 10 percent to 5 percent by Jan. 1, 1985, and will eliminate the uplift entirely by the end of 1985.— *James Swain, FAS. Tel. (202) 447-9057.*

U.S. Broiler Meat Exports To Japan Decline

Japanese imports of U.S. broiler meat, over 90 percent parts, are roughly one-third below last year's levels due to sharply rising U.S. prices in combination with the continued strengthening of the dollar. Estimated 1984 imports of U.S. broilers are 55,000 tons, roughly 9,000 tons less than last year. This is the first drop in Japanese imports of U.S. broiler meat since 1982. Nevertheless, total Japanese broiler meat ixports are expected to remain at roughly the same level as last year's 100,000 tons with Brazilian (possibly subsidized) and Thai broiler exports increasing to make up for the reduced U.S. exports. Brazilian exports of broiler parts to Japan have increased from roughly 1,000 tons in 1983 to an estimated 7,000 tons in 1984.— *William L. Davis, Jr., Agricultural Counselor, Tokyo.*

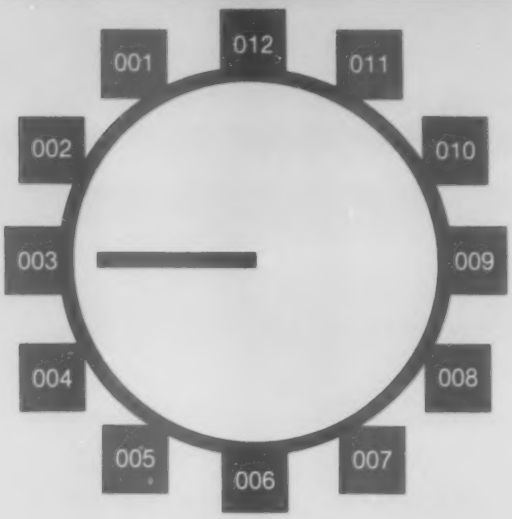
U.S. Corn Exports To East Germany Decline

Record total grain production and the continued substitution of feed wheat, barley and sorghum in feed rations indicate that East Germany's corn imports from the United States in 1984/85 (October-September) will decline to about 500,000 tons from over 1.3 million tons in 1982/83. German import strategy also dictates buying what and where the best price can be obtained. Grain agreements with Canada and Austria that include 24-month repayment terms have accounted for a sharp increase in imports, particulary of wheat and barley, from those countries. —*Steven D. Yoder, Agricultural Attache, Berlin.*

U.S. Mink Exports Continue Upward Climb

Exports of U.S. mink pelts continued their upward climb of recent years during the first half of 1984. The volume of "dressed and undressed" pelts was 2.8 million pieces, up nearly 5 percent from the same 1983 period. Value, at more than $80 million, was up more than 8 percent from 1983. All of the gains were accounted for by undressed pelts which rose in volume and averaged $26.75 per pelt versus $25.93 in 1983. Dressed pelt prices also increased to nearly $38 from $35, but volume declined 12 percent.

The top 10 U.S. markets accounted for over 95 percent of the export value during the first half. Canada was No. 1 with a market share of over 22 percent, followed by Switzerland with nearly 19 percent and the United Kingdom with almost 16 percent. Others in the top 10, with their market share in parentheses, included Hong Kong (8), Japan (8), West Germany (6), Italy (5), South Korea (5), Greece (4) and France (3).— *Nick Havas, FAS. Tel. (202) 447-3761.*



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